



(BILLING CODE: 3510-DS-P)

DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-502]

Circular Welded Carbon Steel Pipes and Tubes from Turkey: Preliminary Results of Countervailing Duty Administrative Review; Calendar Year 2011

AGENCY: Import Administration, International Trade Administration,  
Department of Commerce

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on circular welded carbon steel pipes and tubes from Turkey (pipes and tubes from Turkey) for the period of review (POR) of January 1, 2011, through December 31, 2011. The review covers the following three producers/exporters of subject merchandise: Borusan Group, Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (BMB), and Borusan Istikbal Ticaret T.A.S. (Istikbal), (collectively, Borusan); Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan) and Erbosan Erciyas Pipe Industry and Trade Co. Kayseri Free Zone Branch (Erbosan FZB), (collectively Erbosan); and Tosyali dis Ticaret A.S. (Tosyali) and Toscelik Profil ve Sac Endustrisi A.S. (Toscelik Profil), (collectively, Toscelik). We preliminarily determine that Borusan, Erbosan, and Toscelik received countervailable subsidies during the POR but that the companies' respective total net subsidy rates are less than 0.5 percent ad valorem and, therefore, are de minimis.

EFFECTIVE DATE: [Insert date of publication in the Federal Register.]

FOR FURTHER INFORMATION CONTACT: Jolanta Lawska at 202-482-8362 (for Borusan and Erbosan) at 202-482-8362 and John Conniff at 202-482-1009 (for Toscelik), AD/CVD Operations, Office 3, Import Administration, International Trade Administration, U.S.

Department of Commerce, 14<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20230.

### Scope of the Order

The products covered by this order are certain welded carbon steel pipe and tube with an outside diameter of 0.375 inch or more, but not over 16 inches, of any wall thickness (pipe and tube) from Turkey. These products are currently provided for under the Harmonized Tariff Schedule of the United States (HTSUS) as item numbers 7306.30.10, 7306.30.50, and 7306.90.10. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

### Methodology

The Department has conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, i.e., a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific. See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity. For a full description of the methodology underlying our conclusions, please see Decision Memorandum for Preliminary Results of Countervailing Duty (CVD) Administrative Review: Circular Welded Carbon Steel Pipes and Tubes from Turkey (Preliminary Decision Memorandum) from Edward C. Yang, Senior Director China/Non-Market Economy Unit, to Paul Piquado, Assistant Secretary for Import Administration, dated concurrently with these results and hereby adopted by this notice.

In making these findings, we have relied, in part, on an adverse inference in selecting from among the facts otherwise available because one of our respondents, Erbosan, did

not act to the best of its ability to respond to the Department's requests for information as it pertains to the "Deduction from Taxable Income for Export Revenue" program. See section 776(a) and (b) of the Act.

The Preliminary Decision Memorandum is a public document and is on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://www.trade.gov/ia/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

#### Preliminary Results of Review

The Department has determined that the following preliminary net subsidy rates exist for the period January 1, 2011, through, December 31, 2011:

Company	Net Subsidy Rate
Borusan Group, Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan)	0.24 percent <u>ad valorem</u> ( <u>de minimis</u> )
Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan)	0.30 percent <u>ad valorem</u> ( <u>de minimis</u> )
Toscelik Profil ve Sac Endustrisi A.S. (Toscelik).	0.29 percent <u>ad valorem</u> ( <u>de minimis</u> )

#### Assessment and Cash Deposit Requirements

The Department intends to issue assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of the final results of this review. If the final results remain the same as these preliminary results, the Department will instruct CBP to

liquidate without regard to countervailing duties all shipments of subject merchandise produced by Borusan, Erbosan, and Toscelik, entered, or withdrawn from warehouse, for consumption from January 1, 2011, through December 31, 2011. The Department will also instruct CBP to collect cash deposits of zero percent on shipments of the subject merchandise produced by Borusan, Erbosan, and Toscelik entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

We will instruct CBP to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to companies covered by this order, but not examined in this review, are those established in the most recently completed administrative proceeding for each company. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested.

#### Disclosure and Public Comment

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.<sup>1</sup> Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.<sup>2</sup> Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. All briefs must be filed electronically using Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS).

---

<sup>1</sup> See 19 CFR 351.224(b).

<sup>2</sup> See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, using Import Administration's IA ACCESS system.<sup>3</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230, at a time and location to be determined.<sup>4</sup> Parties should confirm by telephone the date, time, and location of the hearing.

Unless the deadline is extended pursuant to section 751(a)(2)(B)(iv) of the Act, the Department will issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after issuance of these preliminary results.

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

---

Paul Piquado  
Assistant Secretary  
for Import Administration

April 2, 2013 \_\_\_\_\_  
Date

---

<sup>3</sup> See 19 CFR 351.310(c).

<sup>4</sup> See 19 CFR 351.310.

## **APPENDIX**

### **Analysis of Programs**

#### **I. Programs Preliminarily Determined to be Countervailable**

- A. Deduction from Taxable Income for Export Revenue
- B. Short Term Pre-Shipment Rediscount Program
- C. Law 5084: Withholding of Income Tax on Wages and Salaries
- D. Law 5084: Incentive for Employers' Share in Insurance Premiums
- E. Law 5084: Allocation of Free Land and Purchase of Land for less than Adequate Remuneration (LTAR)
- F. Law 5084: Energy Support
- G. Organized Industrial Zone (OIZ): Exemption from Property Tax
- H. Corporate Income Tax Exemption under the Free Zones Law

#### **II. Programs Preliminarily Determined To Not Confer Countervailable Benefits During the POR**

- A. Inward Processing Certificate Exemption
- B. Investment Encouragement Program (IEP): Customs Duty Exemptions
- C. Provision of Buildings and Land Use Rights for LTAR under the Free Zones Law

#### **III. Programs Preliminarily Found Not Countervailable**

- A. Deductions on Social Security Payments Program under Law 5510
- B. Deductions on Social Security Payments Program under Law 5921
- C. Customs Duties and Value-Added Tax (VAT) Exemptions under the Free Zones Law

#### **IV. Programs Preliminarily Determined to Not Be Used**

- A. Stamp Duties and Fees Exemptions under the Free Zones Law
- B. Other Programs Not Used
  - Post-Shipment Export Loans
  - Export Credit Bank of Turkey Buyer Credits
  - Subsidized Turkish Lira Credit Facilities
  - Subsidized Credit for Proportion of Fixed Expenditures
  - Subsidized Credit in Foreign Currency
  - Regional Subsidies
  - VAT Support Program (Incentive Premium on Domestically Obtained Goods)
  - IEP: VAT Exemptions
  - IEP: Reductions in Corporate Taxes
  - IEP: Interest Support

- IEP: Social Security Premium Support
- IEP: Land Allocation
- National Restructuring Program
- Regional Incentive Scheme: Reduced Corporate Tax Rates
- Regional Incentive Scheme: Social Security Premium Contribution for Employees
- Regional Incentive Scheme: Allocation of State Land
- Regional Incentive Scheme: Interest Support
- OIZ: Waste Water Charges
- OIZ: Exemptions from Customs Duties, VAT, and Payments for Public Housing Fund, for Investments for which an Income Certificate is Received
- OIZ: Credits for Research and Development Investments, Environmental Investments, Certain Technology Investments, Certain “Regional Development” Investments, and Investments Moved from Developed regions to “Regions of Special Purpose”
- Foreign Trade Companies Short Term Export Credits
- Pre-Export Credits
- Pre-shipment Export Credits
- OIZ: Exemption from Building and Construction Charges
- OIZ: Exemption from Amalgamation and Allotment Transaction Charges
- 
- 
- [FR Doc. 2013-08236 Filed 04/08/2013 at 8:45 am; Publication Date: 04/09/2013]